

# ROYAL LONDON POLICY PAPER 37

## What to look out for in the party manifestos on pensions



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## What to look out for in the party manifestos on pensions

### **Introduction**

With high rates of voter turnout among older people and with an ageing population, all political parties pay particular attention to their ‘offer’ to older voters. One important strand of that offer will be the policies of the respective parties on pensions. This will include policies for those already over pension age but also includes policies designed to ensure that more people build up a decent pension whilst they are in work.

In this report we set out the key issues to look out for as the parties publish their manifestos over the course of the election campaign.

We start by describing what the parties said in their 2017 manifestos on pensions and related issues. In some ways, many of the issues around pensions in 2019 are similar to those that were preoccupying policy makers in 2017. However, the economic backdrop – and in particular the tight control on public spending – has now changed, and we may see fewer parties willing to make fiscally responsible but potentially unpopular policy commitments.

Next, we consider what has happened since 2017 in the world of pensions, which forms the backdrop to the 2019 manifesto process. Major changes include the completion of the first phase of automatic enrolment into workplace pensions, the rise of MasterTrusts and associated regulation, growing controversy over pension tax relief limits, the publication of a Pensions Bill and the drive for consolidation of Defined Benefit pension schemes.

Finally, we identify the key issues on which we would expect any prospective governing party to express a view and consider what the parties are likely to say. Inevitably we have more idea as to the position of the governing party, but where possible we draw on statements by party spokespeople, party conference motions etc. to assess what each party is likely to propose.

## 1. **What the main parties said last time on pensions<sup>1</sup>**

At the 2017 General Election, the amount of detail presented by each of the parties with regard to pensions varied considerably. In this section we set out what the parties told the electorate at the time on pensions issues. In some cases, these commitments had to be modified because of the position of smaller parties who held the balance of power following an inconclusive election. Indeed, in 2017 specific pension policies – such as abolishing the ‘triple lock’ on the state pension – had to be dropped by the Conservatives because the Democratic Unionist Party made this a condition of joint working in a hung parliament.

### a) **Conservatives<sup>2</sup>**

The 2017 Conservative manifesto identified five ‘giant challenges’ of which one was ‘a restored contract between the generations’. This was summarised as follows:

*“We need to respond to the reality of an ageing society, giving people security in old age and caring for those with long-term health conditions, whilst making sure we are fair to younger generations” (p7)*

During the 2017 General Election campaign it was the policy on funding social care which attracted most attention, but the manifesto also contained a number of policies on pensions. These included:

- From 2020 onwards, replacing the ‘triple lock’ on the state pension with a ‘double lock’ where the annual increase would be by the higher of the growth in prices or average earnings; this policy thereby removed the third leg of the ‘triple lock’ – a mandatory floor of 2.5% on annual increases
- Continuing to link increases in state pension age to improvements in longevity
- To means-test the winter fuel payment, ‘..focusing assistance on the least well-off pensioners’
- To maintain all other pensioner benefits, ‘...including free bus passes, eye tests, prescriptions and TV licences, for the duration of this parliament’

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<sup>1</sup> All quotes are taken from the respective party manifestos unless otherwise stated.

<sup>2</sup> At time of writing, the 2017 Conservative manifesto could be found at:

<https://www.conservatives.com/manifesto>

- To make ‘automatic enrolment’ into pensions ‘available’ to the self-employed

The Manifesto included no specific proposals on pension tax relief.

Following the General Election, as part of the ‘confidence and supply’ arrangement with the Democratic Unionist Party, the plan to abolish the ‘triple lock’ and to means-test Winter Fuel Payments was scrapped. Free TV licences will however be scrapped for the over 75s not on pension credit with effect from 2020.

#### b) **Labour**<sup>3</sup>

The main pensions measures in the Labour Party manifesto of 2017 were in the chapter on Social Security in a section headed “Dignity for Pensioners”. A separate costings document<sup>4</sup> provided estimates of the costs of the key measures. Whilst the existence of costings suggested that the policies had been worked out in some detail, the exact wording of the manifesto did not always spell out exactly what was proposed.

The key measures were:

- To retain the ‘triple lock’ on annual state pension increases
- To protect the Winter Fuel Payment and free bus passes for pensioners as universal benefits
- To ‘protect’ the position of pensioners living in the EU and beyond. This was understood to be a pledge to end the non-indexation of UK state pensions paid to people living in countries such as Australia, New Zealand, Canada and South Africa
- To extend pension credit to ‘..hundreds of thousands of the most vulnerable women’ affected by increases in their state pension age and to ‘..explore options for further transitional protection’
- To pause increases in state pension ages beyond 66 in 2020, pending the outcome of a review

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<sup>3</sup> The 2017 Labour Party manifesto can be found at: <https://labour.org.uk/wp-content/uploads/2017/10/labour-manifesto-2017.pdf>

<sup>4</sup> <http://labour.org.uk/wp-content/uploads/2017/10/Funding-Britains-Future.pdf>

- On workplace pensions, to ‘end rip-off hidden fees and charges’, and to ‘enable the development of large efficient pension funds’

The separate costings document shed light on some of these proposals. Because the ‘triple lock’ on the state pension was built into the Government’s published spending plans, which are used as the baseline for any manifesto costing, it was not necessary for the Labour party to cost this commitment. It did however estimate that two others measures – uprating of overseas pensioners and help for those women affected by state pension age increases – would cost a combined £0.3 billion.

With respect to the policy on ‘unfreezing’ frozen overseas pensions, there are two possible interpretations of this policy. One would be to re-set pensions at the level they would have been if they had never been frozen and then to increase them annually thereafter. According to the House of Commons library<sup>5</sup>, this would cost in excess of half a billion pounds. As this would more than exhaust the £0.3 billion allocated to this policy and the policy on women’s pensions, it seems unlikely that this is what the Labour party meant.

More likely is the second variation whereby overseas pensioners would simply receive annual upratings in future but from their current reduced rate. The House of Commons library says that the cost of this measure has been estimated at around £37m in year one, though this cost would rise each year.

Deducting even the £37m costing from the £0.3 billion figure in the costings document suggests that the policy to assist women who had faced an increased state pension age would cost around £260m per year. The manifesto referred to ‘hundreds of thousands of women’ as potential beneficiaries. If we assume that 500,000 would benefit, this would suggest an average gain of £520 per head or £10 per week. Although more generous than the government’s position, this would be well short of the demands of the relevant campaign groups, both in terms of the help given per head and the scope of any support package.

### c) **Liberal Democrats**<sup>6</sup>

The Liberal Democrat manifesto was a relatively detailed document, running to nearly 100 pages. The party also published a separate 8 page ‘costings’ document.<sup>7</sup>

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<sup>5</sup> <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01457>

<sup>6</sup> The 2017 Liberal Democrat manifesto can be downloaded at:  
<https://d3n8a8pro7vhmx.cloudfront.net/themes/5b8980134764e8e59f56ec6c/attachments/original/1495020157/Manifesto-Final.pdf?1495020157>

Strangely, the main manifesto was explicitly a manifesto for opposition rather than government, with the first section headed: ‘Your chance to change Britain’s future by changing the opposition’. Nonetheless, with the party having been in government just two years earlier, its thinking in this area was of interest.

The 2017 Lib Dem manifesto did not contain a separate chapter on pensions or older people but contained the following policies scattered through the document:

- To retain the ‘triple lock’ on the state pension
- To scrap the Winter Fuel Payment for pensioners paying income tax at the higher (40%) rate, but to retain free bus passes
- To review the case for, and practical implications of “..a single rate of tax relief for pensions, which would be designed to be simpler and fairer and would be set more generously than the current 20% basic rate relief”.

The latter proposal would have involved a radical shake-up of pension tax relief and was the only mention of the subject of pension tax relief in the manifestos of the three main UK-wide parties.

#### d) **Scottish National Party**<sup>8</sup>

At the time of the 2017 General Election (and after it), the Scottish National Party (SNP) were the third largest party in the House of Commons. Although most matters relating to pensions are not devolved to Scotland, SNP MPs constitute a powerful voting bloc at Westminster and have the potential to hold the balance of power in a hung Parliament.

The 2017 Manifesto included a list of the issues on which the SNP had campaigned during the preceding Parliament and one that was highlighted was around the increase in women’s state pension age. The Manifesto said that the party had:

*“...worked with Women Against State Pension Inequality (WASPI) and led calls at Westminster for women born in the 1950s to receive the pensions they are due”*

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<sup>7</sup> <https://www.markpack.org.uk/files/2017/05/Liberal-Democrat-2017-general-election-manifesto-costings-document.pdf>

<sup>8</sup> The 2017 SNP manifesto can be found at:

[https://d3n8a8pro7vhmx.cloudfront.net/thesnp/pages/9544/attachments/original/1496320559/Manifesto\\_06\\_01\\_17.pdf?1496320559](https://d3n8a8pro7vhmx.cloudfront.net/thesnp/pages/9544/attachments/original/1496320559/Manifesto_06_01_17.pdf?1496320559)



Under the heading ‘our key pledges’, the SNP said that they would:

- Continue with the ‘triple lock’ on the state pension
- Continue to support the WASPI campaign
- Oppose increases in state pension age beyond 66
- Establish an ‘Independent Pensions and Savings Commission’
- Extend automatic enrolment “..so that more low paid, and self-employed, workers can benefit from regular pension savings”
- Call for an end to the Lifetime Savings Account (LISA), which the party described as ‘a Tory gimmick...which can disincentivise other forms of retirement savings that offer a greater return’
- Ensure that same sex couples had ‘equal pension rights’

As with the Conservatives and Labour, the SNP set out no policy on pension tax relief.

#### e) **Plaid Cymru, the Party of Wales**<sup>9</sup>

The manifesto of Plaid Cymru contained a number of policy pledges which are similar to those of other opposition parties, but also includes an emphasis on the Mineworkers Pension Scheme (a policy which also featured in the 2017 Labour manifesto).

Key pledges included:

- To retain the ‘triple lock’ on the state pension
- To oppose increases in state pension ages
- To undertake an independent review into the Mineworkers Pension Scheme so that surpluses ‘..are more fairly split between scheme members and the UK Government’

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<sup>9</sup> The 2017 Plaid Cymru manifesto can be found at: <https://www.partyof.wales/actionplan17>

The manifesto also says that Plaid Cymru MPs have ‘..fought for pensioners rights, including fair pensions for women’, though there is no specific policy proposal around action for women whose state pension age has been increased in recent years.

**f) The Democratic Unionist Party (DUP)<sup>10</sup>**

The party’s Westminster manifesto was a relative short document (13 pages) which included the following pledges:

- To retain the ‘triple lock’ on the state pension
- To support an end to the ‘unfair treatment of women pensioners’
- To safeguard universal benefits – the manifesto specifically refers to defending the Winter Fuel Payment as a universal benefit and also highlight’s the DUP’s commitment to maintaining free bus passes via the devolved assembly

The DUP emerged from the 2017 General Election holding the balance of power in a Hung Parliament and were therefore able to implement some of these measures from their 2017 manifesto.

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<sup>10</sup> The 2017 DUP manifesto can be found at: <http://www.mydup.com/publications/view/2017-westminster-manifesto>

## **2. Major developments in pensions since 2017**

In many ways, the pensions landscape of 2019 does not look radically different to the backdrop to the 2017 General Election campaign. As a result, it might be assumed that the 2019 manifestos might look strikingly similar to those of two years earlier, at least as far as pensions are concerned.

However, the debate has moved on in a number of areas which may result in the parties taking a slightly different approach. In this section we run through the main changes and challenges in the pension landscape since the 2017 General Election which may influence the parties' thinking as they draw up their manifestos.

### *a) Workplace pensions and automatic enrolment – the end of phasing and staging*

In 2017 the process of enrolling millions of pensioners into workplace pensions in stages was nearly complete, but mandatory contribution levels still stood at just 2% - split evenly between the worker and the firm. With the scheduled phased increase to 5% in 2018 and 8% in 2019 still to come, parties were wary of setting out plans to get contribution rates above these levels. In particular, there would have been some desire to see how far those contribution increases triggered an increase in previously very low opt-out rates. Now that the contribution increases have taken place, and the impact on opt-out rates appears to have been negligible, the parties are more likely to be ready to address what happens next.

2017 also saw year-long review of automatic enrolment which concluded with a number of recommendations which have been accepted by DWP but not yet implemented. These include starting automatic enrolment at age 18 rather than age 22, and applying the mandatory 8% contribution rate from the first pound of earnings rather than from a 'qualifying earnings floor' as at present.

With regard to the self-employed, the Conservatives have not implemented their plan to make automatic enrolment 'available' to the self-employed, but the Government is undertaking a number of pilots designed to test different ways of increasing pension scheme membership among the self-employed.

### *b) State pension age and longevity*

In March 2017 the Government had just published the results of the 'Cridland Review' into state pension ages. This review recommended increasing the state pension age to 68 by the late 2030s, in line with the policy of linking state pension age to longevity. There has been

no further review since then, but until very recently the statistics on longevity suggested that the rate of improvement had slowed considerably and had even reversed for some groups.

*c) State pension age – the ‘WASPI’ campaign*

Since 2017, campaigns by ‘Women Against State Pension Inequality’ (WASPI), the ‘Back to 60’ group and others have continued. The most recent development was a High Court challenge in which the court decided that governments had been within their rights to increase state pension ages in the way that they did. Campaigners are currently raising funds to support an appeal against this decision.

The other main issue in the evolution of this campaign is the growing number of 1950s women who are now reaching their (delayed) state pension age. This presents a challenge for political parties in deciding whether to make any offer to those who will have lost out through a delayed state pension age but who are now receiving a pension. For example, measures such as early (pre pension age) access to pension credit would no longer be relevant to this group.

*d) The 2019 Pension Schemes Bill*

The 2019 Queen’s Speech included a Pension Schemes Bill which included a number of measures which had attained broad cross-party support, and which may be reflected in 2019 manifestos. The main measures included:

- Provision for ‘Collective Defined Contribution’ (CDC) pensions, as currently proposed by the Royal Mail and the Communication Workers Union;
- Legislation for a Pensions Dashboard, where individuals would be able to see all of their pension rights in one place;
- New powers for the Pensions Regulator, including a crackdown with criminal sanctions on employers who ‘recklessly or wilfully’ underfund a Defined Benefit pension scheme

*e) Pension scheme consolidation*

The roll-out of automatic enrolment has seen a rapid growth in membership of MasterTrusts but it was only in 2017 that a bespoke regulatory framework for MasterTrusts was implemented. This was via the MasterTrust authorisation rules as set out in the 2017 Pension Schemes Act.

At the same time, there has been lively debate, particularly since the last General Election, around consolidation of Defined Benefit pension schemes. The DWP published a consultation on a potential regulatory framework earlier this year but has not so far published its final proposals and there were no provisions on this area in the 2019 Pension Schemes Bill. There is a chance that the delay caused by the General Election campaign could give the DWP time to prepare clauses in time for a 2020 version of the same Bill.

*f) Pension tax relief*

There have been no major changes to the rules around pension tax relief since the last General Election, but one particular feature of the system – the ‘tapered’ annual allowance – has become a source of controversy. This rule limits the amount of tax relief which higher earners can enjoy on their pensions, and can have a particular effect on those (such as NHS doctors and consultants) who may have rights in Defined Benefit pension schemes. There is now growing evidence that NHS Trusts are facing staffing challenges as doctors respond to large and (in some cases) unexpected tax bills by limiting the amount of discretionary work that they undertake. The Government has sought to address this issue by proposing significant changes to the way in which the NHS pension scheme operates, but there are growing calls to address the underlying issue which is the way in which the tapered annual allowance works. More recently<sup>11</sup>, the Treasury finally agreed to undertake a review into “..how the tapered annual allowance supports the delivery of public services such as the NHS”.

*g) Responsible investment / climate change etc.*

The 2017 manifestos are striking for their lack of reference to the role of pension fund investments in supporting action on climate change and the environment, promoting good corporate governance and supporting wider social objectives. Since then the political and regulatory focus on what are known as ‘ESG’ (environmental, social and governance) issues has increased considerably, with new duties on pension fund trustees coming into force on 1<sup>st</sup> October<sup>12</sup>. The Labour Party has recently published a report<sup>13</sup>: ‘A progressive green finance strategy for the UK’ which focuses on issues such as divestment from fossil fuels and a faster adoption by asset managers and institutional investors of ESG approaches.

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<sup>11</sup> See: <https://www.gov.uk/government/news/nhs-pensions-for-senior-clinicians-new-changes-announced-to-improve-care>

<sup>12</sup> For a summary of the latest regulatory developments in this area, see Royal London Policy Paper 35: ‘Pensions and ESG – the emerging regulatory landscape’ <https://www.royallondon.com/siteassets/site-docs/media-centre/policy-papers/34840-pensions-and-esg-paper.pdf>

<sup>13</sup> [https://labour.org.uk/wp-content/uploads/2019/11/12851\\_19-Finance-and-Climate-Change-Report.pdf](https://labour.org.uk/wp-content/uploads/2019/11/12851_19-Finance-and-Climate-Change-Report.pdf)

### **3. Key issues to look out for in 2019**

For the general public, it is likely to be the parties' policies on state pensions and related benefits which are of most interest, whereas the pensions industry will be more focused on areas such as pension tax relief, regulation of pensions and the next steps on automatic enrolment.

In this section we consider each issue in turn, looking at the main choices facing the parties and any indications as to what they are likely to say.

#### *a) State pension – the triple lock*

In 2017, the only party which pledged to abolish the triple lock was the Conservatives. It seems to have been the case that this was a manifesto brought forward by a party which fully expected to win a clear majority and to have to implement its manifesto. It therefore included more challenging messages (also including means-testing winter fuel payments and the changes to social care funding) than would be normal in an election manifesto.

In 2019, it seems unlikely that any of the parties who advocated retaining the triple lock will go back on that position. The big uncertainty is whether the Conservatives will stick to their relatively tough position of 2017 (which they were unable to implement in practice because of the insistence of the DUP) or whether the more relaxed approach to public spending means that the triple lock will be retained.

#### *b) State pension age increases*

The disappointing statistics for longevity which have been published in the last couple of years are likely to embolden parties who took a hard line in opposing state pension age increases beyond 66 in their last manifesto. However, it seems unlikely that the Conservatives will change their position. By law there has to be another review of the latest evidence on longevity before a new schedule of state pension age increases is agreed, and it seems likely that the Conservatives will simply promise to undertake the next review before making any further changes beyond those already incorporated in legislation.

#### *c) Women's state pension age campaign – WASPI and BackTo60*

The Conservative Government has held a firm line on this issue, arguing that increases were justified. They will have been pleased by the recent High Court judgment and, having taken flak on this issue over many years without bending, it seems unlikely at this late stage they will make any concessions.

The opposition parties will all want to make mention of this issue and make some sort of offer. The Liberal Democrats have said that the Parliamentary Ombudsman should be allowed to consider the issue and that they would fund any compensation recommendations made by the Ombudsman. The Labour Party has in the past proposed means-tested assistance for those hardest hit, but as more and more of this group reach pension age, this approach is unlikely to satisfy the campaigners. The SNP has taken the strongest line, calling for women to ‘get the pension that is rightfully theirs’, but it is unclear exactly what this policy would involve and how much it would cost.

This is an area which has been extensively debated in Parliament and beyond, and it would be surprising to see the parties come up with any fresh thinking on how to address it at this relatively late stage.

*d) Pensioner benefits – free TV licences*

The former Chancellor, George Osborne, gave the BBC responsibility for funding free TV licences for the over 75s and expected the BBC to make savings to cover the cost. The BBC has decided that it cannot afford the full cost of this measure and plans to restrict access to free TV licences from June 2020 only to those over 75s in receipt of pension credit.

This decision has attracted considerable political criticism, and we are likely to see manifesto commitments in this area. The Labour party has already said that free licences should be retained, whilst the Prime Minister has undertaken to have discussions with the BBC to try to get the decision over-turned. It will be interesting to see if either main party includes a costed commitment to this effect in their manifestos.

*e) Pensioner benefits – Winter Fuel Payments*

The 2017 Conservative manifesto proposed the means-testing of Winter Fuel Payments whilst the Liberal Democrats proposed to remove them from pensioners paying higher rate income tax. The former proposal was overturned by the DUP as a condition for their ‘supply and confidence’ deal with the Conservatives in 2017.

Given the more relaxed approach to public spending in 2019 compared with 2017, it would be surprising to see any of the parties suggesting major restrictions to Winter Fuel Payments. One strategy for the Conservatives may simply be to omit any reference to Winter Fuel Payments, which would give them more flexibility to make changes to the system if they were able to secure an overall majority.

*f) Pension tax relief*

Despite the huge upfront cost of tax relief on pension contributions, the topic has received astonishingly little attention in party manifestos in recent years. The subject was simply not mentioned at all in either the Labour or Conservative manifestos in 2017, whilst the Liberal Democrats proposed the more radical idea of ‘flat rate’ tax relief, albeit subject to the outcome of a feasibility study.

Given the risk that tax relief reform could create significant numbers of losers (as well as gainers), it would again be surprising if either of the larger parties proposed major changes in this area.

By contrast, the Liberal Democrats have passed a motion at their 2018 party conference<sup>14</sup> which would radically reform the system. Key elements include:

- A flat rate of 25% of tax relief on pension contributions, with employee NICs being abolished on contributions;
- Capping ‘tax free lump sums’ at £40,000

The main element of the tax relief system where announcements are possible would be changes to tackle the issue around NHS doctors and consultants (and others in a similar position) caused by the ‘tapered’ annual allowance. The issue has been raised in Parliament by MPs and peers from all parties, and it is the one area of the system where manifesto announcements seem possible.

*g) Improving automatic enrolment*

Now that the first phase of automatic enrolment is complete, parties will need to develop proposals to improve and develop the system. Areas which are often highlighted as needing further work include:

- The exclusion of low-paid workers and those with multiple ‘mini’ jobs from automatic enrolment; there may be suggestions that the £10,000 threshold above which workers have to be enrolled could be lowered;
- The self-employed are not included in the scope of automatic enrolment (unless they combine self-employment with a job as an employed earner); there may be some discussion of this issue, but radical ideas such as compulsion or large-scale ‘nudges’ to get the self-employed into pensions are unlikely;

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<sup>14</sup> <https://www.libdems.org.uk/autumn-18-f34-promoting-a-fairer-distribution-of-wealth>



- The mandatory contribution rate of 8% of qualifying earnings is widely regarded as too low; parties may propose implementing the DWP's proposal to extend the mandatory 8% to all earnings and to include younger workers; it is possible that there may be some attempt to address the imbalance whereby workers are expected to contribute at 5% but employers are only expected to contribute 3%; in the medium term, whichever party wins the election will need to address the issue that 8% itself is not an adequate contribution rate, but it is unlikely that any party will propose increasing this headline figure as part of a manifesto;
- A technical issue means that around 1.7m lower paid workers miss out on tax relief on their pension contributions; the Government has so far said it would be disproportionately expensive to address this issue but opposition parties may flag it as an area where they would take action;

*h) Measures in the 2019 Pension Schemes Bill – dashboards, CDC and regulator powers*

The proposal for a single website where individuals can see all of their pension rights in one place has cross party support and is likely to feature in a Pension Schemes Bill of a new government whoever wins the election. However, the Labour party is likely to campaign for a single publicly hosted website, whereas the government's plans are for multiple dashboards with private sector firms also able to display this information to consumers.

The other measures in the Bill – provision for 'Collective Defined Contribution' pensions and new powers for the Pensions Regulator are relatively uncontroversial and enjoy cross party support.

*i) Sustainable / Green investing*

The 2019 manifestos are likely to reflect the much higher profile of issues around climate change and sustainable investing than their 2017 counterparts. The Conservatives will point to their actions in office including action by regulators and government departments to increase the focus on environmental, social and governance issues. The Labour party sees the money held in pension funds as playing a crucial role in promoting its environmental and wider social objectives. Its manifesto is likely to press the financial sector as a whole to take more action to reduce climate risks. It is also likely to rely more heavily on regulation and less on market mechanisms than the present government.

*j) Annual uprating outside the UK*

In 2017 there was a difference between Labour and the Conservatives, with the former promising to end the ‘freezing’ of UK state pensions overseas pensions for those living in countries such as Australia, New Zealand, Canada and South Africa. With the UK due to leave the European Union, similar issues could arise post Brexit. The Conservatives have so far only promised annual increases for EU residents for three years, to 2023. It seems likely that Labour will extend their ‘no freezes’ policy to include UK pensions paid into the EU, which it can be expected to pledge to increase every year without a time limit.

#### **4. Conclusions**

One of the major differences between 2017 and 2019 is that in 2017 the Conservatives wrote their manifesto in anticipation of securing a large majority in an election whose outcome appeared relatively clear cut at the start of the campaign. As a result, the 2017 Conservative manifesto sought a mandate for some relatively challenging policies in areas relevant to older voters such as state pension increases and social care funding.

By contrast, in 2019 it is widely perceived that the election outcome is much less clear cut. In addition, the period of ‘austerity’ is now regarded as over, at least as far as fiscal restraint by Chancellors is concerned. A combination of these two factors means that the early signs are that party manifestos this time round already resemble something of a ‘bidding war’, with little sign of the rhetoric around ‘tough choices’ which has characterised previous campaigns.

It follows from this that measures designed to tackle the rising cost of an ageing population and to rein in spending on older people are unlikely to feature prominently – if at all – in the party manifestos. Indeed, even a cut which has already been planned – the scaling back of free TV licences – could be reversed.

For similar reasons, the two larger parties are unlikely to come up with radical proposals to restructure the system of pension tax relief. Whilst it is easy to come up with reforms that generate more gainers than losers (such as flat rate tax relief), reform can still generate large losses for some groups. In a ‘safety first’ manifesto, the instinct of the larger parties will be to steer away from these issues. It will however be interesting to see if the very radical and somewhat controversial proposals by the Liberal Democrats for changes to pension tax relief will make it from the conference floor to the party manifesto.

There are areas of cross-party agreement in pensions – which is entirely welcome – which will lead to some overlap between the manifestos. These include support for the principle of automatic enrolment, the desire to see the pensions dashboard progress, and the support for new models of ‘collective’ workplace pension provision.

The main areas of political difference are likely to focus around the state pension. Labour and the SNP are likely to restate their opposition to future increases in state pension age and their support for those campaigning against the rapid rise in women’s state pension age which has already taken place. They are also likely to confirm that they would retain the triple lock on pension increases, as well as pension benefits such as Winter Fuel Payments, TV licences and bus passes. It may be a test of the level of confidence of the Conservatives

about their electoral prospects as to whether they stick by their relatively tough 2017 manifesto commitments in these areas or quietly drop them.

What is perhaps most frustrating is that the big pensions issues for the next generation are likely to attract relatively little debate. Getting millions of people to save more than 8% into a pension is a vital issue but involves some challenging messages, and this campaign seems unlikely to be the place where such messages are heard. Similarly, a thorough review of pension tax relief, dealing with anomalies and ending the constant tinkering with the system would be welcome. But this is the sort of thing which tends to be implemented by those who have won power rather than announced by those who expect to gain it.

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